

# Module 8

# Business

# Culture

## **Module 8**

### **Business Culture**

Culture is just one perspective that can help us to understand more about a business. 'Business culture' is not just about how others see a business, but also about how the individuals within an organization understand it.

In this section we explore how the concept of culture developed from research into differences between cultures at a national level. It is possible to see, or 'feel', that one business is different from another, and that this involves more than just how it presents itself to the outside world.

The cultural perspective has become popular in business studies because it offers a way of explaining performance and understanding difference.

It is only one way of analyzing business, but it is an interesting one as it focuses particularly on the insider point of view, or on what it is 'really' like to work in an organization.

Another central idea about organizational culture is that it has to be learnt by newcomers and that it takes time to understand. The term socialization is sometimes used to describe how new employees learn the less obvious rules about what is acceptable and what is not.

## Hofstede's Five Cultural Dimensions

### Introduction

Geert Hofstede, a leading expert in cultural values classification, developed a model of five dimensions of natural culture that help to explain basic value differences in culture.

The model distinguishes cultures according to the following five different dimensions:

- Power Distance Index,**
- Uncertainty Avoidance Index,**
- Individualism,**
- Masculinity/Femininity,**
- Long-term orientation.**



### **- Long-term orientation**

Long-term orientation determines the way people think and behave. International marketers must understand many subtle differences that may affect the way their marketing is made and perceived in foreign markets.

### **- Masculinity/Femininity**

The Masculinity (MAS) focuses on the degree the society reinforces, or does not reinforce, the traditional masculine work role model of male achievement, control, and power.

### **- Uncertainty Avoidance Index**

The Uncertainty Avoidance Index (UAI) focuses on the level of tolerance for uncertainty and ambiguity within the society.

### **- Power Distance Index**

The Power Distance Index (PDI) focuses on the degree of equality, or inequality, between people in the country's society.

**- Individualism**

The Individualism (IDV) focuses on the degree the society reinforces individual or collective, achievement and interpersonal relationships.

## Symbols within Business

### Introduction

Trice and Beyer (1984) were academics who concentrated on the idea of there being symbols within a business. They divided these into, first, high-level symbols, which are the more obvious ones such as company buildings and logos, and, second, low-level symbols.

They suggested four categories of low-level symbols:

- practices
- communications
- physical forms
- a common language



#### - Practices

These are the rites, rituals and ceremonies of the business. These can take many forms, and would include the annual office party, employee awards and inter-site competitions.

#### - Communications

Communications - These are the stories, myths and slogans that are circulated in the business. Stories about notable events in the past tend to become part of the culture of the business and can influence behavior. How the business started, for example, or a period of particular success, can say something about preferred ways of performing and goals to aim for.

#### - Physical forms

Physical forms - These include location, open plan or individual offices, types of eating areas, business suits or casual attire, flipcharts or whiteboards, and office furniture.

For an interesting example go to the Google website ([www.google.com](http://www.google.com)) and look at 'Inside Google' and 'Culture' in the 'Jobs at Google' section of the 'About Google' area to see images of the culture and workplace at Google. Also interesting are the 'Top 10 reasons to work at Google'.

#### - A common Language

Jargon is common to many businesses. It is a convenient shorthand form of communication, but it also affects behavior. For example, Disney employees are 'cast members', while McDonald's employees are 'crew members'.

## **Factors that shape the culture of a business**

Where the culture of a business comes from, and how it develops, is the subject of much discussion within business studies. The following proposes twelve key factors that shape the culture of a business. It could be argued that some of the twelve factors in the list are integral parts of the culture of a business rather than influences that shape it. What lists such as this do show us, however, is that culture in business, as in society, pervades every aspect of its operations.

### **Factor 1**

the influence of a dominant leader - the vision, management style and personality of the founder or leader in a business often has a significant influence on the values that the business tries to promote.

### **Factor 2**

the history and tradition of the business - how things have always been done (and why).

### **Factor 3**

the type of technology used by the business and the types of goods and/or services it produces.

### **Factor 4**

which industry or sector the business is in, and how much and what type of competition it faces.

### **Factor 5**

the customers of the business - who they are and what they expect.

### **Factor 6**

Company expectations - based to a large extent on past performance.

### **Factor 7**

the types of information and control systems used.

### **Factor 8**

the legislation and wider business environment.

### **Factor 9**

the procedures and policies within the business - ever-evolving, but often a good indicator of underlying values.

### **Factor 10**

the reward systems and the measurement of performance.

### **Factor 11**

How the business is organized and resourced.

### **Factor 12**

Goals, values and beliefs - reflected in objects, actions and language.